

**Veritas Finance Private Limited**  
**CIN: U65923TN2015PTC100328**  
**Regd. Office: SKCL Central Square 1, South Wing, 1st Floor, Unit C28-C35, CIPET Road,**  
**Thiru Vi Ka Industrial Estate, Guindy, Chennai – 600 032. www.veritasfin.in**  
**Statement of financial results for the quarter ended 30 June 2022**

(All amounts are in INR in lakhs, except share data and stated otherwise)

Particulars	Quarter ended			Year ended
	30 June 2022	31 March 2022	30 June 2021	31 March 2022
	Unaudited	Audited (Note 6)	Unaudited (Note 6)	Audited
<b>Revenue from operations</b>				
Interest income	13,375.71	12,236.00	9,523.27	42,611.54
Fee income	351.67	341.75	103.58	958.02
Net gain on fair value changes	137.27	74.02	192.87	638.86
<b>Total revenue from operations</b>	<b>13,864.65</b>	<b>12,651.77</b>	<b>9,819.72</b>	<b>44,208.42</b>
Other income	14.07	57.70	16.34	156.14
<b>Total income</b>	<b>13,878.72</b>	<b>12,709.47</b>	<b>9,836.06</b>	<b>44,364.56</b>
<b>Expenses</b>				
Finance costs	3,141.24	2,985.82	3,336.66	12,893.81
Impairment on financial instruments	1,088.51	(100.81)	3,014.12	5,935.56
Employee benefits expenses	3,498.63	2,945.71	2,381.77	10,984.31
Depreciation and amortization	337.28	341.37	352.41	1,425.40
Other expenses	1,020.66	977.51	520.70	2,989.14
<b>Total expenses</b>	<b>9,086.32</b>	<b>7,149.60</b>	<b>9,605.66</b>	<b>34,228.22</b>
<b>Profit before Tax, Exceptional and Extraordinary items</b>	<b>4,792.40</b>	<b>5,559.87</b>	<b>230.40</b>	<b>10,136.34</b>
Exceptional and Extraordinary items	-	-	-	-
<b>Profit before Tax</b>	<b>4,792.40</b>	<b>5,559.87</b>	<b>230.40</b>	<b>10,136.34</b>
<b>Tax expense</b>				
Current tax	1,592.00	863.00	672.00	3,153.00
Deferred tax	(386.18)	471.62	(618.85)	(557.05)
	<b>1,205.82</b>	<b>1,334.62</b>	<b>53.15</b>	<b>2,595.95</b>
<b>Profit after tax for the period / year</b>	<b>3,586.58</b>	<b>4,225.25</b>	<b>177.25</b>	<b>7,540.39</b>
<b>Other comprehensive income</b>				
a) Items that will not be reclassified to profit or loss				
Re-measurement of the defined benefit obligation	(48.20)	35.67	(67.85)	59.60
Income tax relating to items that will not be reclassified to profit or loss	12.14	(8.98)	17.08	(15.00)
<b>Other comprehensive income for the period / year</b>	<b>(36.07)</b>	<b>26.69</b>	<b>(50.77)</b>	<b>44.60</b>
<b>Other comprehensive income / (deficit) for the period / year, net of income tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
b) Items that will be reclassified to profit or loss				
Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-
<b>Other comprehensive income (after tax) for the period / year ( a+b)</b>	<b>(36.07)</b>	<b>26.69</b>	<b>(50.77)</b>	<b>44.60</b>
<b>Total comprehensive income for the period / year, net of income tax</b>	<b>3,550.51</b>	<b>4,251.94</b>	<b>126.48</b>	<b>7,584.99</b>
Paid up Equity Share Capital (Face Value Rs.10)	4,857.34	4,856.09	3,515.89	4,856.09
Paid up Compulsorily Convertible Preference Share capital	6,501.91	6,501.91	6,501.91	6,501.91
Reserves excluding Revaluation reserves as at	1,33,062.23	1,29,446.82	79,012.36	1,29,446.82
<b>Net worth (equity and preference share capital + reserve and surplus excluding revaluation reserve)</b>	<b>1,44,421.49</b>	<b>1,40,804.82</b>	<b>89,030.16</b>	<b>1,40,804.82</b>
Earnings per equity share of Rs. 10 each				
- Basic	7.38	8.70	0.50	18.12
- Diluted	2.96	3.48	0.19	6.59
	Not annualised	Not annualised	Not annualised	Annualised

See accompanying notes to the financial results



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**Notes:**

- 1 Veritas Finance Private Limited ("the Company") is a Non-Deposit taking Systemically Important Non-Banking Financial Company (NBFC-ND-SI), registered with the Reserve Bank of India ("the RBI").
- 2 The financial results for the quarter ended 30 June 2022 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their respective meetings held on 10 August 2022.
- 3 These financial results have been prepared in accordance with recognition and measurement principles laid down in accordance with the Indian Accounting Standard ('Ind AS') 34 - "Interim Financial Reporting" as prescribed under Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting standards) Rules, 2015, as amended from time to time, and other accounting principles generally accepted in India.  
The financial results are prepared based on the notified Schedule III of the Act, as amended from time to time, for Non Banking Financial Companies that are required to comply with Ind AS.
- 4 Also, these unaudited financial results have been prepared in compliance with Regulation 52 of the Securities Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations 2015. Any application guidance/ clarifications/ directions issued by the RBI or other regulators are implemented as and when they are issued/ applicable.
- 5 The above results have been subjected to "limited review" by the statutory auditors of the Company. The statutory auditors have issued an unmodified review report.
- 6 The figures for the preceding quarter ended 31 March 2022, are the balancing figures between audited figures in respect of the full previous financial year and the unaudited year-to-date figures upto third quarter of previous financial year. The figures pertaining to quarter ended 30 June 2021 are certified by the management and were not subjected to audit/ review by the statutory auditors of the Company.
- 7 There is no separate reportable segment in accordance with Ind AS 108 on "Operating Segments" in respect of the Company.
- 8 Earnings per share for the quarter ended 30 June 2022, 31 March 2022 and 30 June 2021 have not been annualised.
- 9 Other equity includes statutory reserve as per section 45IC of the RBI Act, 1934, balance in securities premium, Employee Stock Option Plan reserve and retained earnings.
- 10 Pursuant to RBI circular RBI/2021-22/125 DOR/STR/REC.68/21.04.048/2021-22 dated 12 November 2021, towards Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications, the Company has revised its process of NPA classification. Had the Company followed the earlier method, the profit before tax for the period ended 30 June 2022 would have been higher by Rs. 2.88 crores. If the company had availed the relaxation thereof referred to in RBI circular dated 15 February 2022 which had deferred the upgradation requirement to 30 September 2022, the Gross stage 3 would have been 3.66%.
- 11 In terms of the requirement as per RBI notifications no. RBI/2019-20/170 DOR (NBFC).CC. PD No. 109/22.10.106/2019-20 dated 13 March 2020 on implementation of Indian accounting standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income recognition, Asset Classification and Provisioning (IRACP) Norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard asset provisioning) as at 30 June 2022 and accordingly, no amount is required to be transferred to impairment reserve.
- 12 Information as required by Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached in Annexure I.



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**Notes:**

- 13 The Secured Non-Convertible Debentures (NCDs) issued by the company are secured by exclusive charge on specific receivables of the company by way of hypothecation to the extent of 1.05 times of the amount outstanding.
- 14 Details of loans transferred / acquired during the period ended 30 June 2022 under the RBI Master Direction on Transfer of Loan Exposures dated 24 September 2021 are given below:
- (i) The Company has not transferred any Non-Performing Assets (NPAs).
  - (ii) The Company has not transferred any Special Mention Account (SMA) and loan not in default.
  - (iii) The Company has not acquired any loans not in default through assignment.
  - (iv) The Company has not acquired any stressed loan.
- 15 The financial results and this publication have been prepared in compliance with operational circular SEBI/HO/DDHS/DDHS\_Div1/P/CIR/2022/0000000103 issued by SEBI dated 29 July 2022.
- 16 Previous period's/year figures have been regrouped/reclassified wherever necessary, to confirm with the current period presentation.

for and on behalf of the board of directors of  
**Veritas Finance Private Limited**



**D. Arulmani**  
Managing Director and Chief Executive Officer

Place : Chennai  
Date : 10 August 2022



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<b>Annexure 1</b> Information as required pursuant to Regulation 52(4) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015	
Particulars	As at 30 June 2022
(a) Omitted *	-
(b) Omitted *	-
(c) Debt equity ratio Debt equity ratio is (Debt securities + Borrowings) / Net worth	0.95 times
(d) Omitted *	-
(e) Omitted *	-
(f) Debt service coverage ratio	Not Applicable Debt service coverage ratio is not applicable for Non-Banking Finance Company ("NBFC") registered with Reserve Bank of India and accordingly no disclosure has been made.
(g) Interest service coverage ratio	Not Applicable Interest service coverage ratio is not applicable for NBFC registered with Reserve Bank of India and accordingly no disclosure has been made.
(h) Outstanding redeemable preference shares (quantity & value)	NIL. The Company does not have any redeemable preference shares as at 30 June 2022 and hence this clause is Nil.
(i) Capital Redemption Reserve / Debenture redemption reserve	Not Applicable Debenture redemption reserve is not required in respect of privately placed debentures in terms of Rule 18(7)(b)(ii) of Companies (Share Capital and Debenture) Rules, 2014.
(j) Net worth (Net worth is equal to share capital plus reserves & surplus less deferred revenue expenditure)	Rs. 1,44,421.49 Lakhs
(k) Net profit after tax -For the Quarter ended 30 June 2022 ( Total comprehensive income )	Rs. 3,550.51 Lakhs
(l) Earnings per share - For the period ended 30 June 2022	Basic - Rs. 7.38 not annualised Diluted - Rs. 2.96 not annualised
(m) Current Ratio	1.70 times
(n) Long term debt to Working Capital	67.30 times
(o) Bad debts to Account Receivable Ratio (Bad debts / Accounts Receivables)	3.95%
(p) Current Liability Ratio	21.41%
(q) Total Debts to Total Assets Ratio (Debt Securities+ Borrowings (other than debt securities)+ Subordinated Debts) / Total Assets	47.84%
(r) Debtors Turnover Ratio	Not Applicable / not relevant to the Company and hence not disclosed
(s) Inventory Turnover Ratio	Not Applicable / not relevant to the Company and hence not disclosed
(t) Operating Margin (%) Operating Margin / Total Income	57.16%
(u) Net Profit Margin(%) Profit after tax / Total Income	25.58%
(v) Sector Specific Equivalent Ratio i) GNPA % ( Gross Stage 3) ii) NNPA % iii) Provision Coverage Ratio ("PCR") (%) Impairment loss allowance for Stage III / Gross Stage III Loans iv) Asset Cover Ratio v) Liquidity Coverage Ratio vi) Capital Adequacy Ratio	i) 3.95% ii) 2.34% iii) 41.77% iv) 1.05 times v) 1504.66% vi) 59.75%

Note : \* Omitted by the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2021, w.e.f. 13 August 2021.



# SUNDARAM & SRINIVASAN

CHARTERED ACCOUNTANTS

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## Independent Auditor's Review Report on Quarterly Financial Results of the Company Pursuant to the Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

**Review Report To**  
**The Board of Directors**  
**Veritas Finance Private Limited**

We have reviewed the accompanying Statement of unaudited financial results of Veritas Finance Private Limited (the 'Company') for the quarter ended 30<sup>th</sup> June 2022 (the 'Statement').

This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'Listing Regulations'). Our responsibility is to issue a report on the Statement based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements ('SRE') 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India ('ICAI'). This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.



# SUNDARAM & SRINIVASAN

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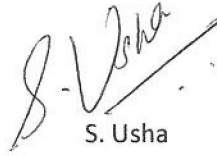
Offices: Chennai - Mumbai - Bangalore - Madurai

## Other Matter

As described in Note 6, the figures for the preceding quarter ended 31<sup>st</sup> March 2022, are the balancing figures between audited figures in respect of previous full financial year and the unaudited year-to-date figures upto third quarter of previous financial year. The Figures for the quarter ended 30<sup>th</sup> June 2021 are certified by management.

Our conclusion is not modified in respect of this matter.

For Sundaram & Srinivasan  
Chartered Accountants  
Firm Regn. No. 004207S



S. Usha  
Partner

Membership Number: 211785  
UDIN: 22211785AORSQT8449



Place: Chennai

Date: 10<sup>th</sup> August 2022

